



Fairfax County Chairman Sharon Bulova Says Whole Region Negatively Affected by Shutdown, Debt Limit Inaction

October 16, 2013– Today, Chairman Sharon Bulova discussed the “commonalities” shared among the four largest jurisdictions in the DC metro area. The so-called Big 4 – Fairfax County Chairman Sharon Bulova, Washington, D.C. Mayor Vincent Gray, Prince George’s County Executive Rushern Baker, and Montgomery County Executive Isaiah Leggett – met in Mayor Gray’s ceremonial office and pledged to continue their regional cooperation should the shutdown continue to cause economic hardship and fiscal uncertainty in the region.

“The shutdown of the federal government, and the continued inaction on the federal debt limit, is having a substantial effect on our region,” Chairman Bulova said. “All of us were seeing signs of a slow and steady recovery from the Great Recession, but that progress is being hurt by the uncertainty and real economic hardships being created by the federal government.”

Chairman Bulova stressed that with the prolonged shutdown, the country is fast approaching the point where critical assistance to families may run out.

“We are not just talking about the already devastating effect this is having on our residents. We are quickly approaching the point where federal assistance that allows poor families to purchase infant formula and other food assistance for children will no longer be available. Thousands could be affected: we cannot let this happen,” Chairman Bulova said.

Speaking about the broader economic effects, Chairman Bulova said uncertainty will have a lasting negative effect on the regional economy.

“From an economic and revenue standpoint, the biggest impact of the shutdown is on consumer spending and confidence,” Chairman Bulova stated. “The bottom line is that people and businesses are uncertain; they are uncertain about the economy, uncertain whether to invest or hire an additional worker and uncertain if they will even go to work the next day. Local governments across the country are in similar states of uncertainty. With sequestration, the government shutdown, furloughs, and concern about the federal government defaulting on its debt, local government is all the more stressed.”

FACT SHEET

- Currently, Fairfax County's budget for the next fiscal year, 2015, is facing a projected \$25 million shortfall. We are still struggling from the impact of The Great Recession and a slow, tepid recovery.
- **Federal civilian employment** is about 25,000 or about 4% of all the jobs in the county. This means about \$150 million in income is lost each day the federal government is shutdown.
- More than 4,000 companies in the County are federal contractors. **Federal procurement contracts in FY 2012 represent over \$26 billion.** During the 1995-1996 shutdown, one fifth of federal contracts were put on hold, with many employees furloughed. Many of these contractors were not reimbursed.
- Fairfax County is already experiencing **falling revenues** in part due to the sequester and furloughs. The shutdown will have further ripple effects on County revenues. Some examples:
- **Sales Tax receipts** have decreased for 3 consecutive months, and if receipts decline at this rate throughout the fiscal year, the County stands to lose \$9 million or more, further adding to our projected shortfall.
- If **Business, Professional and Occupational License (BPOL) taxes** trend the direction of sales taxes, as they most always do, the negative economic effects would be an additional \$10 million.
- And if Congress does not act to avert a shutdown soon, there will be a large impact on **human services agencies**.
 - After November 1st, The Women, Infants, and Children (WIC) program will see operations affected, directly impacting over 2,000 pregnant women, 4,000 infants and 10,000 children.
 - CSB will have to cease Adult Mental Health outpatient services to over 400 people, and 255 clients would not receive help for Substance Use Disorders.
 - Housing vouchers to help people stay in their homes would be lost to over 3,000 households.
 - Local non-profit and community faith organizations are already stretched with not enough resources to fill demand.

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